

April 6, 2009

Mr. Don Becker
Town of Holland

Don,

Several members of the Cedar Grove Village Board met a few days ago to confirm our thoughts on the fire department agreement between our municipalities. One thing we all agree on is that we want this agreement to be as simple as possible. We also want to have it finalized in April. The bullet points below identify our desires.

1. **Fire Truck Replacement** – The replacement cost of fire trucks will be split 50/50 between TOH and VOGC.
2. **Fire House Rent** – Rent will be \$24,000 with 6% increase on January 1, 2012. The rent cost will be split 50/50 between TOH and VOGC.
3. **Water Usage Cost** – The cost of hookup and water will be governed by the Public Service Commission. The current rate is \$45 per load and \$2.56 per thousand gallons.
 - a. TOH will pay for hook up and price per gallon based on the rate set up by the Public Service Commission.
 - b. VOGC will pay for their water use.
 - c. Water usage and hook-ups for practice are divided 50/50.
 - d. Mutual aid water and hook-ups divided 50/50.
4. **All Other Expense** - Expense ratios for all other expenses will be 60% TOH and 40% VOGC. This is based upon the past five years worth of cost data reflected in the accompanying spreadsheet. "All other expenses" refers to anything that is not mentioned in this memo regardless of whether it is equipment upgrades or repair and maintenance. This ratio will be set for the term of the agreement.
5. **Billing for Fire & Rescue Services** - Income from all billed service calls will be put into the Fire Department budget to offset the Fire Department expenses as a whole.
6. **Truck Use by a Municipality** - If the VOGC or TOH should use a truck there will be a fee of \$100.00 plus the replacement of fuel used prior to returning to the fire house.
7. **Financial Decisions** - All meetings with fire department financial decisions to be acted upon are done with **BOTH** boards present. This is for any amount of money over \$1000 per item. Decisions will be brought back to the fire department within 30 days.
8. **Drawing of Agreement** - Fire Department Agreement to be drawn up by either VOGC or TOH attorney.

Please review this with your board members and reply to us as quickly as possible. We need to get this finalized very soon.

Regards,



Mark Post
Village of Cedar Grove